STATE OF CALIFORNIA GRAY DAVIS, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

2004 - 2005 CPUC Energy Efficiency Programs
INSTRUCTIONS FOR THE SUBMISSION OF REQUESTS FOR EXTENSION AND SUBMISSION OF NEW PROGRAM PROPOSALS AND PLANS

Pursuant to Decision 03-08-067, Energy Division publishes these instructions which outline the following processes:

- **Submission of requests for no-cost extensions of current non-utility programs**
- **Submission of extension requests for current statewide marketing and outreach programs through Dec. 2005**
- **Submission of new program proposals and utility program plans/proposals**
- **Other utility specific requirements**

Proposal materials and most documents referenced in these instructions are posted on the CPUC energy efficiency website[1]. Inquiries should be directed to the CPUC Energy Division at 415-703-5618 or zap@cpuc.ca.gov.

Process for Submission of Request for No-Cost Extensions: Current Non-utility Local Programs

Non-utilities implementing local programs funded for 2003 may make written requests for program extensions through the second quarter of 2004. Requests should be sent to the Commission's Executive Director, and copied to the Energy Division staff assigned to monitor the program. Requests should be received no later than 5:00 PM PST September 23. Program implementers who are unable to comply with the deadline must obtain approval from the Executive Director for an exception prior to the deadline. Requests for an exception should provide an explanation for the anticipated delay.

Mr. William Ahern
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Requests should not include proposals for additional funding. Requests for extensions should include the following elements:

[1] http://www.cpuc.ca.gov/static/industry/electric/energy+efficiency/rulemaking.htm

- Justification for program extension explaining the reasons for program delays, showing program success and a demonstration that the program services are still in demand
- A description of the additional or previously planned but uncompleted activities that would be undertaken in 2004
- Estimates of energy savings, performance targets and projected expenditures for each program

Upon receiving approved requests, the administering utility will execute contract extensions that will allow program implementers to execute commitments up to **March 31, 2004**. All program activities must be completed by **June 1, 2004**, including final installations, evaluation, measurement and verification (EM&V), and preparation for final reports. Final reports, including program evaluations, are due no later than **July 1, 2004**.

Process for Submission of Request for Extension through Dec 2005: Current Statewide Marketing and Outreach Programs

Entities implementing statewide marketing and outreach programs funded for 2003 may file for extensions through December 2005. Program extension plans, including justifications, should be filed with the Commission's docket office, served on all parties to R.01-08-028 (via e-mail) and copied to the Energy Division staff assigned to monitor the program (via e-mail). Program extension plans should be filed and served no later than 5:00 PM PST September 8.

Program extension plans should use the format (**proposal narrative and program implementation workbook**) prescribed for new program proposals discussed in the following section and include the following additional sections under the **Section I** heading of the proposal narrative:

- A summary of activities undertaken during 2003
- A synopsis of accomplishments and program success during 2003

Process for Submission of New Program Proposals For All Parties and Plans for the Extension of Existing IOU Programs

IT IS IMPORTANT THAT ALL PROPOSERS REVIEW AND FOLLOW THESE INSTRUCTIONS CAREFULLY

Any party may propose any type and any number of energy efficiency program, that qualifies under the Public Utilities Code and current Commission policy, for funding. Parties proposing programs and IOU's seeking program extensions or proposing new programs should follow these instructions and the rules and evaluation criteria set forth in Version 2 of the **Commission's Energy Efficiency Policy Manual.** IOUs proposing program extensions should clearly describe program changes from PY 2003 and provide a summary of program accomplishments during 2003 in **Section I** of the proposal narrative. IOU's must follow these instructions in the preparation and submission of their **procurement funded energy efficiency programs**. A modified program implementation workbook will be made available to the IOU's so they can amend their Benefit/Cost values based on utility specific avoided cost. These instructions, the Policy Manual, and the **program implementation workbook** are available on the CPUC energy efficiency website[2].

- Each individual **program proposal package** must be composed of:
  - One completed **proposal narrative** following the proposal narrative format described in these instructions
  - One completed **program implementation workbook**
- Parties proposing programs that serve customers of more than one utility service area will be required to submit a separate proposal package for each utility service area.
- The narrative must be a Microsoft Word or Adobe PDF file that is text searchable, with font size no smaller than 12 points, must be no larger than 1MB in size and no more than 50 pages in length, and must not deviate from the prescribed ordering of sections as presented in these instructions. Elaborate graphics are discouraged.
- All proposals will be submitted electronically by way of sending an email to eeproposals@cpuc.ca.gov.
  - Each **proposal package** must be submitted in a separate email.
  - The email should have **only two attached files** (one **narrative** and one **workbook**, *see below and throughout these instructions for directions concerning* **additional attachments**).
  - The email should be no larger than **3 MB** (combined email, **narrative** and **workbook**).

[2] http://www.cpuc.ca.gov/static/industry/electric/energy+efficiency/rulemaking.htm

  - Proposers may use file compression to keep the total email size under 3 MB. **Both the narrative and workbook should be compressed together.** To ensure successful delivery of email, applicants are strongly encouraged to use WinZip version 7.0[3] or higher *(other compression technologies may not be compatible with the automated de-compression application Commission staff intend to use)*.

- Electronic submittals will be accepted *no earlier* than **September 15** and *no later* than **12:00 Midnight, September 23 (i.e. the evening of September 23).** To avoid potential congestion on the CPUC email server, parties are strongly encouraged to submit proposals **at least 12 hours prior to the due date**.

- Once proposals have been electronically delivered and archived, proposers will receive an automatic confirmation email. The confirmation email will contain summary data on the proposed program and a confirmation number/proposal number that will be used to identify each proposal. It is therefore important that the proposal package be sent through an email address that will receive reply email.

- The confirmation email must be printed and one copy attached as a cover page to each of four (4) paper copies of the proposal narrative. One copy must be unbound and three (3) copies tape bound. The confirmation email cover page may be inserted inside a binding cover provided that the binding cover has printed on it the confirmation number, program implementer name, program name, and a list of all proposals being submitted by the same proposer or its affiliates.

- Four (4) paper copies of the proposal narrative and cover page must be delivered to the address below *no later* than **5:00 PM PST, September 26**. Parties submitting more than one proposal may mail paper copies of all their proposals in a single package.

  Energy Efficiency Proposals c/o Julia Cordell
  California Public Utilities Commission
  Energy Division – NGEERA Branch
  505 Van Ness Avenue
  San Francisco, CA 94102

- **Additional attachments** (i.e. supporting documentation such as workpapers used to derive energy savings assumptions), where appropriate, must be included with the hard copy files, but should not be submitted along with the electronic proposal package submittal. Workpapers used to derive non-standard energy savings estimates and cost-effectiveness variables should be provided in Microsoft Excel format that is unprotected and auditable. Excel attachments for all programs proposed by a single entity should preferably be delivered on a single CD. The files on the CD should preferably be organized into separate folders for each program.

[3] http://www.winzip.com

- Proposers must **not** send paper copies of the program implementation workbook.
- Proposers must **not** file proposal packages with the CPUC docket office or serve proposals on other parties. All proposal narratives and workbooks will be posted on the CPUC public website after September 26.
- The Commission **will not** accept attachments in the electronic proposal package submittal. Email submittals containing more than a single narrative (Word or PDF Document) and a single workbook will be rejected. It is therefore important that the proposal package be sent through an email address that does not automatically attach files, such as virtual business cards.
- The Commission **will not** accept mailed proposals that **have not** been electronically submitted through the process described above.
- **Exception Process** - Proposers who do not receive timely confirmation e-mail replies may contact Energy Division staff at 415-703-5618 or zap@cpuc.ca.gov to verify that the electronic submittal was received on time or to arrange for an alternate process for submitting electronic submittals. Such arrangements must be made before the electronic proposal deadline of midnight September 23.

Proposal Narrative Format

Each program proposal package delivered to the Commission must include a completed proposal narrative in Microsoft Word or a text searchable Adobe PDF.

- Each proposal narrative must include the following sections in the order presented below.
- Sections that do not apply to the proposed program should be included with the comment "Not Applicable."
- The minimum font size for the proposal narrative is 12 points.
- Common fonts such as Times, Arial or Palatino are preferred.
- Elaborate graphics are discouraged.

Cover Page. **Cover Page/Confirmation Email** – Cover page which includes the following information **and/or** Printed copy of email confirmation with confirmation number:

- Confirmation Number
- Title of the Proposed Program
- Name, address, telephone number, and email address of contact person
- List of all other programs proposed

TOC. **Table of Contents** – Include the page numbers of each section listed below.

Section I. Program Overview

A. ***Program Concept*** – Brief description of program (1 paragraph)

B. ***Program Rationale*** – Basis and need for program. If program was funded during 2002 - 2003, discuss evidence that program was successful and that demand for program services persists. If the program is a combination of hardware/incentive and information, indicate here whether the proposal should be evaluated as a hardware/incentive program or an information program per criteria description in D.03-08-067. *Requesting that a proposal be evaluated as such is not a guarantee that the Commission will agree.*

C. ***Program Objectives*** – Projected accomplishments of the program.

Section II. Program Process

A. ***Program Implementation*** - Including plans for coordination with other energy efficiency programs and description of how proposed program differs from existing related programs, if relevant.

B. ***Marketing Plan*** – Description of all marketing materials planned, quantity of marketing materials (if applicable), method of distribution, and projected cost per marketing effort. Include plans, recommendations and proposals for coordination with parties funded to provide statewide marketing and outreach services and, if possible other parties' program specific marketing efforts.

C. ***Customer Enrollment*** – Process for customer enrollment.

D. ***Materials*** – Procedures for procurement, delivery and installation of equipment. Description of specifications of qualifying equipment (i.e. minimum energy efficiency rating levels). Description of installation standards if applicable.

E. ***Payment of Incentives*** – Process for payment of incentives to customers. If incentive amount is not fixed per measure or project, describe how amount is determined for each customer.

F. ***Staff and Subcontractor Responsibilities*** – Describe proposed staffing structure of prime contractor and subcontractors. In the **program implementation workbook,** sheet "8 – Labor", include a list of positions, responsibilities, and the percent of each of those staff's time that is projected to be dedicated to the project.

G. ***Work Plan and Timeline for Program Implementation*** – Include dates of important milestones.

Section III. Customer Description

A. ***Customer Description*** – Detailed description of customers targeted by program including customer size, market segment, market actors targeted and description of hard to reach characteristics if applicable.

B. ***Customer Eligibility*** – Types of customers who will be entitled to participate in the program.

C. ***Customer Complaint Resolution*** - Procedures for responding to customer questions or complaints regarding program, and for resolving program or performance disputes with program participants or customers.

D. ***Geographic Area*** – Description of geographic area targeted by program. Include here a discussion of whether the program is proposed for a transmission constrained area as identified by the California Independent System Operator.

Section IV. Measure and Activity Descriptions

Use table format where appropriate. If program offers an extensive list of measures, summarize the following information by measure type or other logical grouping where appropriate. Include a more extensive discussion in separate attachments and document with workpapers if necessary (delivered by mail to Energy Division). If necessary, provide references to line and/or cell numbers in the program activities worksheets of the program implementation workbook (described in next section).

A. ***Energy Savings Assumptions*** – Briefly document source of all energy savings assumptions for each measure or measure type. For each measure or measure type where the energy savings assumptions are not standardized and available in the DEER database[4], describe the rationale for the following energy savings assumptions:

- Coincident Peak Demand Reduction (kW)
- Electric Energy Savings (kWh)
- Gas Energy Savings (therms)

B. ***Deviations in Standard Cost-effectiveness Values*** – Document and provide a rationale for all cost-effectiveness variables that deviate from those prescribed in the Energy Efficiency Policy Manual and the CEC's DEER database:

- Net-to-Gross Ratio
- Estimated Useful Life
- Incremental Measure Cost

[4] http://www.energy.ca.gov/deer/

C. ***Rebate Amounts*** - For each measure or measure type, briefly describe the rationale for rebate amount.

D. ***Activities Descriptions*** - Briefly describe the expected program activities not expected to produce measurable energy savings (such as facilities audits and equipment diagnostics) and cost per activity.

Section V. Goals Use table format where appropriate.

- Provide brief overview of quantitative, qualitative, and energy & peak demand savings goals.
- Discuss any proposed program performance goals not covered in the sections above (i.e. other objective measures for evaluating program progress).

Section VI. Program Evaluation, Measurement and Verification (EM&V)

- Proposed program evaluation approach, including a summary of the suggested approach to evaluating program success and measuring and verifying energy & peak demand savings. This is not the final, detailed EM&V plan for the program, which will be developed by the independent EM&V consultant, but should still provide adequate detail of what the evaluation plan will cover. The program evaluation should be based on the Energy Efficiency Policy Manual guide to program evaluation, and should be thorough as it will be the basis for a program's final payment.
- Provide a list of at least two potential EM&V contractors and provide evidence that the proposed contractors can objectively evaluate program success.
- In developing the program evaluation approach, proposers are advised to dedicate a sufficient amount of their program budget to EM&V based on their proposed program evaluation approach, activities undertaken for similarly designed programs and other pertinent information.

Section VII. Qualifications

A. ***Primary Implementer*** – Including experience managing similar programs.

B. ***Subcontractors*** - Including experience managing similar programs.

C. ***Resumes or Description of Experience*** – For each program management position.

Section VIII. Budget

- Provide a summary budget table.
- If a program has a significant proportion of the budget devoted to an information program element (as described in D.03-08-067), estimate that proportion of the budget and provide a description.
- Discuss each budget line item detail that may need additional description/clarification.

Proposal Implementation Workbook Format

Each program proposal package delivered to the Commission must include a completed **program implementation workbook**. The workbook, composed of separate worksheets, is used to develop and examine program budgets, tabulate program activities, calculate projected program impacts, and calculate benefit/cost values. To maintain consistency across all program proposals and to avoid unintentional errors or unauthorized alteration of the workbook, all the sheets are password protected. Several sheets will be used by program implementers to enter data and several are calculators that process data submitted by the user. Below is a description of the data entry sheets.

Program Summary Worksheet

To facilitate the review of program proposals and communication with potential program sponsors, proposers must complete the Program Summary worksheet. This worksheet will gather contact information and other program summary descriptors using a combination of user entered values and standardized program description terms. Calculated fields on this worksheet will summarize the program budget, energy savings, and cost effectiveness values. Below is a description of the desired data for some of the user entered values (note, only fields that require clarification are described here):

- **Program Implementer –** Name of firm or organization that is the primary program implementer. If program is a joint venture select one of the firms or organizations to be the lead.
- **Program Name –** It is recommended that you select a name that is short, potentially unique, and adequately describes the nature of the program. The name can be changed at a later date.
- **IOU Service Area –** Select from the drop-down list the utility service area in which the program will operate.
- **End Use Fuel Type –** Select from the drop-down list the fuel type that will be affected by the program.
- **Specific Geographic Areas Targeted** – Describe the specific geographic area targeted by the program. Be as specific as space allows and use the <u>Customer Description – Geographic Area</u> section of the program proposal narrative to provide additional detail
- **Primary Contact Information** – Should be an individual who is qualified to discuss proposal and program details with Commission staff
- **Number of Complementary Programs Proposed –** Total number of other proposed programs that are complementary to the proposed program. Count only those programs which are fundamentally the same and are offered in other service areas (i.e. if the proposer's organization is offering the same program statewide), or other programs which are intended to complement the proposed program in any way (i.e. different programs that are designed to be functionally dependant on each other for synergy)
- **Description of Hard-to-Reach** – A brief description of hard-to-reach customer groups as defined in the Energy Efficiency Policy Manual, if applicable.
- **Organization Type** – Select from the drop-down list the category that most closely describes the primary program implementer.
- **Total Number of Programs Proposed** – Total number of programs proposed by the proposer or its affiliates.

- **Submitter Comments** – A field for any comments the proposer may want to use to describe the proposal
- *The Following Fields:* **Program Type, Targeted Sectors, NR Customer Size, End Use Measures and Market Actors Targeted** – Choose "Yes" or "No" from the drop-down list for each item in this table. Blank cells will be interpreted as a "No"
- **List Titles of All Programs Proposed** – List the titles of all programs proposed by the proposer or its affiliates, as space allows.

1 - Budget Worksheet

The standard budget format for the CPUC energy efficiency programs is designed to gather program cost information from a wide spectrum of program types and delivery agents. The standard budget is separated into five broad categories, which are in turn subdivided into subcategories outlined below:

- **Administrative**
  - Managerial and Clerical Labor
  - Human Resource Support and Development
  - Travel and Conference Fees
  - Overhead (General and Administrative) - Labor and Materials
- **Marketing/Advertising/Outreach**
- **Direct Implementation**
  - Financial Incentives to Customers
  - Installation and Service – Labor
  - Activity – Labor
  - Hardware and Materials - Installation and Other Direct Implementation Activity
  - Rebate Processing and Inspection - Labor and Materials
- **Evaluation, Measurement, and Verification**
  - EM&V Labor and Materials
  - EM&V Overhead
- **Other**
  - Profit
  - Financing Costs

Within each budget subcategory (or category in some cases), proposers will have the flexibility to assign projected costs using a list of over 150 standardized budget items as deemed appropriate for the program type and projected expenses. The allowable budget items for each subcategory/category appear in a drop-down list in each cell in column B within the Budget Worksheet and are also listed in the last sheet in the program implementation workbook (titled "Ref - Budget Categories List"). All reasonably foreseeable expenses should be categorized according to these budget items where feasible. Since not all budget items will be applicable to every proposed program, proposers are only required to use those budget items that describe the overall projected expenses of the program, however, proposers are expected to provide the level of detail that they think best reflects the projected expenses for the program. If a particular projected expense (i.e. line item) cannot reasonably be assigned to one of the allowable budget items for the budget subcategory/category, proposers may leave the budget item field blank for that cost, but must justify in the line item note field why the cost cannot be assigned to the allowable budget items. If the program is considered for funding, Commission staff may request additional details on the line item and may assign the cost to an existing budget item or, as a last resort, create a new budget item to categorize the cost.

If a budget line item is an allocation, proposers should provide the allocation rate (as a percentage) and the allocation base in the provided fields (for example, if a particular overhead expense is 5% of total labor expenses, and total labor expenses are $100,000, then the allocation rate should be "5%" and the allocation base should be "$100,000"). Proposers should provide a description of the allocation base and allocation methodology (if different from the allocation rate/allocation base methodology) in the notes field of the workbook and in the Budget section of proposal narrative if additional space is required.

A footnote field will be provided for each line item where the proposer will describe the budget item, describe the line item if it cannot be categorized according to the allowable budget items for that category, and provide a description of the allocation methodology, if applicable. Proposers may also use this field for any additional comments or clarifications they feel are necessary. Proposers should also make use of the Budget section of proposal narrative if additional space is required to describe each line item. If a program is considered for funding, Commission staff may request additional explanation of budget items, therefore it is advised that proposers describe budget items that may need clarification in the Budget section of proposal narrative.

A "live" summary of the proposed program's cost-effectiveness, budget and net energy effects is displayed along the top of the Budget worksheet.

Proposers should expect to budget for reporting program progress on a monthly basis and for possible minor changes to reporting protocols during the program year. If a program is selected for funding, proposers will be expected to provide projected quarterly expenditures for each of the budget items to assist in the tracking of program performance.

Program Activities Worksheets

The program activities worksheets will be used to quantify and evaluate projected program activities and will be the basis for evaluating progress and performance throughout the duration of the program. Proposed program activities will be recorded in several program activity worksheets listed and described below:

- 2 - MeasurableEEActivities
- 3 - Non-MeasurableEEActivities
- 4 - Other Performance Goals
- 5 - Marketing Activities
- 6 - EM&V Activities

- 7 - Subcontractor Activities
- 8 – Labor

If a program is selected for funding, proposers will be expected to provide projected quarterly activities within the "2 – MeasurableEEActivities", "3 - Non-MeasurableEEActivities", "4 - Other Performance Goals", and "5 - Marketing Activities" worksheets to assist in program tracking. Quarterly projections should be what can reasonably be expected if the program is implemented according to plan and will be used simply to track program progress. Program Implementers will not be penalized for exceeding or falling short of quarterly projections, instead programs will be evaluated on their overall results.

Each line item in the "2 – MeasurableEEActivities" and "3 - Non-MeasurableEEActivities" worksheets will be categorized by measure type or end use load according to the following predetermined list of aggregated measure types. Proposers must choose from the provided drop-down list the measure type or end use load which best describes the measure. If the proposer believes that none of the provided measure type categorizations adequately describes the measure, the proposer may choose "Other" and provide a description of the measure and recommend a measure category in the Measure and Activities Descriptions section of the program proposal narrative. Below is the list of choices in the "Measure Type/End Use Load" field:

Appliance Recycling
Appliances
Building Shell - Insulation
Building Shell - Roof Color
Building Shell - Windows
HVAC - Air Conditioning Systems
HVAC - Controls
HVAC - Heating Systems
HVAC - Tune-up
HVAC - Ventilation Systems
Lighting - Comprehensive Measures
Lighting - Controls
Lighting - Exterior
Lighting - Interior
Nonresidential - Comprehensive Measures
Nonresidential - Compressed Air Systems
Nonresidential - Custom End Use
Nonresidential - Food Service & Processing
Nonresidential - Motor Controls
Nonresidential - Motors
Nonresidential - Office Equipment
Nonresidential - Process Optimization
Nonresidential - Pumping Systems
Nonresidential - Refrigeration

Residential - Comprehensive Measures
Water Heating - Systems
Water Heating – Controls
Other

2 – MeasurableEEActivities Worksheet

Program proposers will provide the following information in the "2 – MeasurableEEActivities" worksheet:

- **Measure/Activity Name** (Column D) – Provide a name for the measure that is both adequately descriptive and short. Each measure should be described in the Measure and Activities Description section of the proposal narrative; therefore the Measure/Activity Name need not be overly descriptive here.
- **Measure Type/End Use Load** (Column B) – Previously described. Select from drop-down list.
- **Target Sector** (Column C) – Select from drop-down list the sector for which the measure is intended. If the measure will be dedicated to multiple sectors, make a judgment as to which sector would be most affected by the measure. This field is used as a reference for determining the program Participant benefit/cost Test, therefore this field must be populated for each measure or the Participant Test will not be calculated correctly. The choices for this field are:
    - **RES** – For both retrofit and new construction residential measures.
    - **VS or S NR** - For both retrofit and new construction nonresidential measures for very-small or small nonresidential customers as defined in the CPUC Energy Efficiency Policy Manual.
    - **M NR** - For both retrofit and new construction nonresidential measures for medium nonresidential customers as defined in the CPUC Energy Efficiency Policy Manual.
    - **L NR** - For both retrofit and new construction nonresidential measures for large nonresidential customers as defined in the CPUC Energy Efficiency Policy Manual.
    - **AG** - For both retrofit and new construction nonresidential measures for agricultural customers.
- **Unit Goals** (Column E) – Number of units which the program is budgeted to provide.
- **Unit Definition** (Column F) – By default the unit definition is assumed to be the rebated energy efficiency measure or "widget". However, if the program is designed to provide a rebate for units other than a defined energy efficient measure (such as a rebate per kWh, rebate per energy efficient home built, or rebate per energy efficiency service performed) then the proposers should describe, in one or two words, the basis for the unit count. Proposers should use

the Measures and Activities Descriptions – Rebate Amounts section of the proposal narrative if additional space is required.

- **Financial Incentive Per Unit** (Column G) – This field is where the proposer will record the direct per-unit financial incentive for the customer.
  - *Direct Rebate* - Record the direct rebate amount provided to the customer.
  - *Upstream Rebate* – Record the per-unit rebate received by the customer.
  - *Direct Install* – Record the per-unit cost to the program of all materials received by the customer.
- **Installation, Service and Repair Labor Per Unit** (Column H) – This field is where proposers will enter the estimated per-unit installation and service labor costs associated with each measure that is provided free of charge to the customer. This field will be applicable only for direct install and customer equipment service/repair program elements. Projected rebate processing and administrative labor should not be recorded here. Additional Installation and Service Labor line items are provided in the "1 – Budget Worksheet" for programs that are not budgeting these costs on a per-unit basis.
- **Gross Coincident Peak Demand Reduction Per Unit (kW)** (Column I) – Estimated gross demand reduction occurring during the average system peak as defined in the Energy Efficiency Policy Manual (Noon to 7 PM – Monday through Friday - June, July, August and September).
- **Gross Annual Energy Savings Per Unit (kWh)** (Column J) – Estimated gross annual electric savings per unit, measured in kWh.
- **Gross Annual Energy Savings Per Unit (Therms)** (Column K) – Estimated gross annual gas savings per unit, measured in therms.
- **Gross IMC** (Column L) – **Gross Incremental Measure Cost**. The additional marginal cost of an energy efficient product compared to the standard, or non-efficient, product. This value is used in determining the program cost side of the benefit/cost analysis.
- **EUL** (Column M) – **Estimated Useful Life**. This is the number of years which the energy efficiency measure is expected to last. This value is used to determine the long term energy savings of the measure. A limit of 20 years is imposed to reduce uncertainty. Only whole numbers (i.e. whole years) have any impact on this field.
- **NTG** (Column N) – **Net-to-Gross Ratio**. This ratio represents the proportion of customers who are expected to only adopt the energy efficient measure as a result of the program.

Each proposed measure must have an associated net-to-gross ratio, estimated useful life, and incremental measure cost as defined in the Commission's Energy Efficiency Policy Manual. Net-to-gross ratio and estimated useful life values for general measure types are given in the Commission's Energy Efficiency Policy Manual and per-unit energy savings and incremental measure cost values for typical measures are provided in the California Energy Commission's DEER database.

For each measure, proposers must also provide unit-count projections and a rebate amount per unit. If the rebate amount is expected to vary by project or customer, provide a different line item for each project or customer type and/or provide an estimated average rebate per customer. Variable rebate amounts should be discussed in the Program Process – Payment of Incentives section of the proposal narrative. If the program is designed as a direct install program or has direct install elements, the rebate amount should be per unit cost to the program of the measures installed.

- Proposers are encouraged to list individual measures in the energy measures worksheet to the extent that it is feasible given the program design.
- If the program is project based (i.e. offers a rebate for the implementation of a mix of measures that that may vary by project, or are customized depending on the customer's preference or project type), proposers may group the measures by measure groups or project type as determined by program design. In such cases, proposers must develop methodologies for determining the average energy and peak demand savings and cost-effectiveness variables per measure group or project type and briefly document those methodologies in the Measure and Activities Description section of the proposal narrative and in separate attachments if additional space is needed.
- If the project is performance based or based on units other than widgets (i.e. offers a fixed rebate per unit of energy saved or a rebate per energy efficient home built), proposers may group the measures by measure groups or project type as determined by program design. The unit used as the basis for determining the rebate should generally be used as the projected unit count (for example, programs providing ¢/kWh rebates should use the projected kWh as the unit count and programs providing a rebate per energy efficient home built should use the number of homes as the unit count).

In most cases, energy & peak demand reduction and cost-effectiveness variables will be treated as estimates and will remain fixed throughout the duration of the program. In some cases, Energy Division may allow for periodic revisions of energy savings estimates in instances where energy savings assumptions are projected averages for a typical measure mix, building type or climate zone, and specific measure level data is collected for each project. For example, if a program uses a package of measures that varies depending on the retrofit needs for each customer as a unit and assumes a typical measure mix for each installation, but each customer installs a different combination of measures, then the program implementer may periodically revise the reported energy savings if the actual measures installed differ from the projected typical measure mix. For each periodic revision the program implementer must provide invoices, measure lists, workpapers, or other evidence that the cumulative average per-unit energy savings have changed since the previous reporting period. Proposer must highlight such potential cases in the Measures and Activities Descriptions – Energy Savings Assumption section of the proposal narrative. In all other cases, each proposal's suggested approach to EM&V should include a process for revising energy & peak demand reduction and cost-effectiveness estimates if there is a reasonable expectation that the energy & peak demand reduction and cost-effectiveness variables may be discovered to have been grossly under- or over- estimated during the course of program implementation. Proposers are encouraged to track potential adjustments to energy & peak demand reduction and cost-effectiveness variables during the course of program implementation and provide evidence to program evaluation contractors for verification.

3 - Non-MeasurableEEActivities Worksheet

Program proposers will list proposed direct implementation activities that are not associated with measurable energy savings but provide energy efficiency services (such as facilities audits and training workshops) in the "3 - Non-MeasurableEEActivities" worksheet. Each activity in this worksheet will be quantifiable and will have an associated projected unit count and estimated direct cost per activity. Each line item in this sheet should be briefly described in the Measure and Activities Descriptions – Activities Descriptions section of the proposal narrative. Methodologies for determining the cost of each activity and a discussion of the cost charged to the customer (if at all) should also be included in the Measure and Activities Descriptions – Activities Descriptions section of the proposal narrative.

4 - Other Performance Goals Worksheet

Program proposers will list all proposed performance goals not included in the "2 – MeasurableEEActivities", "3 - Non-MeasurableEEActivities" and "5 - Marketing Activities" in the "4 - Other Performance Goals" worksheet. While this worksheet may not be applicable to most programs, it is provided for program proposers who wish to develop measurable performance goals that are not clearly categorized as energy efficiency activities, non-energy implementation activities, and marketing activities as a way to demonstrate the appeal of the program. Each activity in this worksheet will be considered a distinct deliverable and should have a proposed quantitative goal or an estimated completion date, whichever is most relevant given the nature of the proposed activity. This list will be used to tabulate performance goals not covered in other areas of the program implementation workbook and will be used as a means to assist in the evaluation of the program's proposed objectives and tasks. All line items in this worksheet should also be discussed in the Goals section of the proposal narrative.

5 - Marketing Activities Worksheet

Program proposers will list proposed marketing activities in the Marketing Activities worksheet. Each activity in this worksheet will be considered a distinct deliverable and should have an estimated completion date. Each line item in this sheet should be briefly described in the Program Process – Marketing Plan section of the proposal narrative. Methodologies for determining the cost of each marketing activity should also be included in the Program Process – Marketing Plan section of the proposal narrative.

6 - EM&V Activities Worksheet

Program implementers must provide estimated completion dates for Evaluation, Measurement and Verification (EM&V) activities in this worksheet. A drop-down list of standardized EM&V activities is provided. Use only the items on the list that are anticipated for the program specific EM&V.

7 - Subcontractor Activities Worksheet

Program proposers must list all proposed subcontractor and proposed subcontractor tasks in the Subcontractor Activities worksheet. There are no deliverables associated with this list. This list will be used to tabulate subcontractors working across all programs and as a means to assist in the evaluation of the program's proposed objectives and tasks and viability of program design. If the subcontractor tasks are known but a subcontractor has not yet been selected, proposers should list proposed subcontractor tasks and leave the subcontractor name field blank. If the program is selected for funding, proposers will be expected to fill the subcontractor vacancies without delay.

8 – Labor Worksheet

Program proposers must list primary staff position titles, staff names, and primary responsibilities in the "8 – Labor" worksheet. Proposers should also provide an estimated percentage of the staff's time that is expected to be devoted to the program. Clerical and Administrative support staff expected to devote less than 15% of their total work hours to the program need not be listed.

Utility Specific Requirements Utilities are expected to send to Energy Division staff - *Tim Drew, Zenaida Tapawan-Conway and Ariana Merlino* -the following tables **via email** and in **Microsoft Excel format**. This information will be posted on the CPUC Energy Efficiency Website together with the IOU program plans, Statewide Marketing and Outreach program extension proposals and all new program proposals.

Tables summarizing PGC collections and portfolio budgets:

- In developing their program plans and budgets for 2004 and 2005, each utility shall provide an accounting of the total amount of PGC funds available for its energy efficiency programs in 2004 and 2005. The utilities should include calculations of the expected electric and gas PGC collections for 2004 to 2005, as well as an accounting of any funds left over from previous years, including interest, that the utilities can carry over and budget for 2004 to 2005 programs.
- Each utility shall also provide a summary table providing the following information for PY2003 and that proposed for PY2004 to PY2005: the allocation of their total program budgets to various program categories – i.e., statewide vs. local, residential retrofit/new construction, nonresidential retrofit/new construction, and cross-cutting programs; the energy savings targets associated with each program, and the cost effectiveness values for each program. The table should also include a statewide program total, a local program total, and a grand total. Finally, the table should provide a TRC ratio for the entire portfolio of programs proposed. Utilities should provide the background and work papers used in deriving these figures. This table should be presented in the same manner as that provided by the utilities in the response to the Energy Division's data request dated December 17, 2002 regarding PY2003 program filings.